

Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 SP-02 USIA-15 AID-05 EB-07
NSC-05 CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01
IGA-02 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00 XMB-04
OPIC-06 LAB-04 SIL-01 PA-02 PRS-01 L-03 H-02 AGRE-00
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TO SECSTATE WASHDC 1542
INFO AMEMBASSY ABIDJAN
AMEMBASSY COTONOU
AMEMBASSY NIAMEY
AMEMBASSY OUAGADOUGOU
AMEMBASSY PARIS

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E.O. 11652: N/A
TAGS: EFIN, TO
SUBJECT: FINANCE: TOGO'S 1977 GENERAL BUDGET

1. THE TOGOLESE GENERAL OPERATING AND INVESTMENT BUDGET FOR 1977 REFLECTS A 10.35 PERCENT INCREASE OVER LAST YEAR. (FISCAL AND CALENDAR YEARS ARE THE SAME.) BALANCED ONCE AGAIN THIS YEAR, AS IT HAS BEEN FOR THE PAST TEN YEARS, THE 1977 BUDGET IS SET AT CFA 55,200,829,000 (\$222,583,988; 248 CFA/\$1). ON THE REVENUE SIDE THE GOT CONTINUES TO COUNT ON PHOSPHATE PROFITS, AGRICULTURAL PRODUCTION PROFITS, CUSTOMS DUTIES AND TAXES FOR THE BULK OF ITS INCOME, AS THESE CATEGORIES ACCOUNT FOR 70 PERCENT OF TOTAL RECEIPTS. FINANCE MINISTER GRUNITZKY, IN PRESENTING THE BUDGET TO THE GOT COUNCIL OF MINISTERS CHARACTERIZED IT AS A "PRUDENT MAN'S BUDGET" THAT TOOK INTO CONSIDERATION THE WORLD ECONOMIC SITUATION. THE BUDGET WAS ADOPTED ON DECEMBER 14.

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2. INVESTMENT OUTLAYS FOR 1977 ARE BUDGETED AT CFA 15,350,000,000 (\$61,895,161), AN INCREASE OF 27.8 PERCENT OVER 1976. THE TWO OTHER AREAS RECEIVING SIGNIFICANT BUDGET NCREASES ARE THE MINISTRY OF EDUCATION UP 33.45 PERCENT TO 4.4 MILLION CFA AND THE MINISTRY OF RURAL DEVELOPMENT UP 34.6 PERCENT OVER LAST YEAR. ONE MILLION CFA WILL BE SPENT NEXT YEAR FOR FERTILIZER AS PART

OF TOGO'S AGRICULTURAL DEVELOPMENT PROGRAM.

3. TO PAY FOR INCREASED SPENDING, TAXES ARE BEING RAISED IN SEVERAL KEY AREAS. FIRST, THE LOCAL TAX RATE ON ALL IMPORTED PRODUCTS WILL BE RAISED 6 PERCENT. SECOND, THE TAX ON BUSINESS TRANSACTIONS IS BEING RAISED FROM 10 TO 12 PERCENT ON PRODUCTION AND FROM 8 TO 10 PERCENT ON SERVICES. THIRD, THE MINIMUM TAX ON BUSINESS PROFITS WILL BE RAISED FROM ONE TO TWO PERCENT. LAST, TOGOPHARMA, THE STATE-OWNED CHAIN OF PHARMACIES WHICH HAS HAD PREFERRED TAX STATUS, WILL BEGIN TO PAY TAXES ON JANUARY 1. THERE WILL ALSO BE A CHANGE IN THE METHOD OF COLLECTING GASOLINE TAX. INSTEAD OF BEING CHARGED AT THE PUMP, THE TAX WILL BE PAID AT THE LEVEL OF THE DISTRIBUTION DEPOT. THE AMOUNT OF TAX INCREASE THAT WILL ACCOMPANY THE BOOKKEEPING CHANGE WAS NOT SPECIFIED.

4. EMBASSY WILL DO AIRGRAM ANALYSIS OF THE BUDGET IN ACCORDANCE WITH CERP 0300 AS COPIES BECOME AVAILABLE SOME TIME NEXT YEAR.
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